

109 KAR 10:010. Local Government Economic Assistance Fund grants.

RELATES TO: KRS 42.450-42.495

STATUTORY AUTHORITY: KRS 42.455(5)

NECESSITY, FUNCTION, AND CONFORMITY: As directed by KRS 42.455(5) the Department of Local Government, by this administrative regulation, establishes requirements relating to implementation of a system of grants from the Local Government Economic Assistance Fund ("fund") and, in addition, sets forth procedures for reporting with respect to fund grants to the Department of Local Government as required by statute.

Section 1. "Local government," "local government unit," "recipient government" means the fiscal courts of coal-producing, coal-impact and mineral-producing counties, and the governing bodies of incorporated cities within such counties who may be eligible for fund grants.

Section 2. Budget Hearings. Each fiscal year, any recipient local government that proposes to expend money from the fund in any fiscal year shall hold at least one (1) public hearing on specific proposed projects the government intends to fund (hereafter referred to as the budget hearing).

(1) At the budget hearing, all citizens of the recipient local government shall have a reasonable opportunity to provide written and oral comments, and to ask questions concerning the allocation of local government assistance funds.

(2) At least seven (7) days prior to the budget hearing the recipient local government shall make available for public inspection during normal business hours, at the principal office of the local government, a summary of the proposed expenditures from the fund. This summary shall be submitted as a part of the county's annual budget to the Department of Local Government. This summary shall identify each expenditure according to eligible categories and the amount of money to be allocated to each category.

(3) A notice of the budget hearing shall be published in a newspaper of general circulation serving the geographic area of the recipient local government no later than seven (7) but not more than twenty-one (21) days prior to the scheduled date of the hearing. The notice shall contain the following: date, place and time of the public budget hearing; a statement of the amount anticipated from the fund for the fiscal year; the amount of such funds to be expended in each eligible category; a statement advising when and where a summary of projects and a summary of the entire budget for all income and expenditures of the recipient government is available for public inspection; a statement that citizens attending the public budget hearing have the right to provide written and/or oral comments and ask questions concerning the allocation of local government assistance funds.

(4) The public budget hearing may be held concurrently with budget hearings of the recipient local government provided the notice specifically identifies the fund and includes all information required by subsection (3) of this section.

Section 3. Annual Use Report. Each local government that receives grant money from the fund shall file an annual report with the Department of Local Government within sixty (60) days after the end of the fiscal year in which the funds were received. The annual use report shall be certified by the chief executive official and contain a statement that the recipient government's general tax effort has not been reduced below the level of fiscal year 1991-1992.

Section 4. Records. The Department of Local Government shall require that the generally accepted governmental auditing standards issued by the comptroller general of the United States be used by each recipient unit of local government required to submit an audit report to the Department of Local Government under provisions of KRS 42.460.

(1) If an acceptable audit report has not been submitted to the Department of Local Government, additional funds from the fund may be transferred to the local government unit for a period not to exceed eighteen (18) months after the end of the fiscal year.

(2) Each recipient government shall maintain a separate financial account for the receipt of any funds from the fund. Any expenditures or transfers shall be made from this account. Financial records shall include all earnings from investment of funds in accordance with KRS 42.455(4). (7 Ky.R. 863; Am. 8 Ky.R. 3; eff. 6-3-81; recodified from 200 KAR 4:005, 7-8-91; Am. 723; 1326; eff. 11-8-91; 20 Ky.R. 131; eff. 10-13-93.)